

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ericsson Inc., Nokia of America Corp., AT&T Services, Inc., Cellco Partnership
d/b/a Verizon Wireless, Google LLC and T-Mobile, USA, Inc.,
Petitioners

v.

KT Corporation (Patent Owner) and Pegasus Wireless Innovation LLC
(Exclusive Licensee)
Patent Owner

Case: IPR2025-00083

U.S. Patent No. 10,638,463

**PETITIONERS' REPLY TO PATENT OWNER'S REQUEST FOR
DIRECTOR REVIEW**

Pursuant to the Board’s June 20, 2025 email, Petitioners submit this Reply to Patent Owner’s Request for Director Review (Paper 20) of the Institution Decision (Paper 18, “DI”) instituting review of U.S. Patent No. 10,638,463 (“the ’463 patent”).¹ The Board should deny PO’s request for at least the following reasons.

I. The Board did not abuse discretion in instituting review

The Board correctly determined that a “holistic view” of discretionary denial considerations including *Fintiv* favors institution. DI, 9. The Board correctly determined that Petitioners have a reasonable likelihood of success on the merits. DI, 29. Neither of these determinations involved an abuse of discretion. Many of the *Fintiv* factors are relevant only to the extent the same or substantially the same parties and invalidity challenges of the same patent are involved in a parallel district court proceeding. *Fintiv*, Paper 11 at 5–6, 12–13. Because the ’463 patent is not involved in any parallel district court proceeding, these factors are not relevant (or at least weigh heavily in favor of institution). *See* Paper 15. Considering these circumstances and the strong merits of the Petition, the Board correctly determined that a “holistic” view of discretionary denial considerations including the *Fintiv*

¹ Petitioners’ Brief Addressing the Dismissal of U.S. Patent No. 10,638,463 from the Parallel District Court Litigation (Paper 15) was filed on May 12, 2025.

factors weighs against denial. DI, 9-11, 27. There is no risk of duplicating efforts with the district court because the '463 patent is no longer at issue in the litigation.

PO speculates whether institution would have been denied if the '463 patent was maintained in the district court case. Paper 20, 3. This thought exercise is irrelevant. The '463 patent was dismissed **“without prejudice”**. Ex. 2302.

PO speculates that institution would encourage POs to “maintain claims against defendants to increase likelihood of a *Fintiv* denial...” Paper 20, 5. PO ignores that withdrawal of the '463 patent stemmed from PO's overreaching of asserting eleven patents in the Related Litigation in the first instance. Ex. 2004, 1-2.

II. *Fintiv* is inapplicable and efficiency and fairness weigh in favor of institution

There is no parallel proceeding and therefore discretionary denial based on *Fintiv* no longer applies, as previously explained. Paper 15, 1-2.

Although *Fintiv* does not apply, efficiency and fairness concerns here nonetheless weigh in favor of institution. PO's admission that the '463 patent was withdrawn from the litigation due to its “unimportance” undermines any argument that this IPR should be denied due to settled expectations between the parties. There can be no “settled expectations” concerning this patent which was granted less than 4 years prior to its assertion in the parallel litigation. To the contrary, PO should reasonably expect a challenge of its “unimportant” or “bad” patent, as that is the intended design of inter partes review. *See, e.g., Thryv, Inc. v. Click-to-Call Tech.,*

LP 590 U.S. 45, 46 (2020) (“Congress designed inter partes review to weed out bad patent claims efficiently.”). *See also Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 272 (2016) (the IPR proceeding was initiated to screen out bad patents). **PO did not claim that the ’463 patent was unimportant until *after* the Board instituted review of the validity of the patent.** PO—not Petitioners—started this dispute by asserting its patent, but now only after Petitioners have gone to the time and expense of demonstrating a reasonable likelihood of success in this IPR, PO wants a takeback. This cannot be the intent of Section 314(a).

As it stands, with the ’463 patent dismissed from the Related Litigation **“without prejudice”** (*see* Ex. 2302) and the IPR already instituted, the most expedient resource to address the validity of this patent is the PTAB. This is the only opportunity that Petitioners will have to challenge the ’463 patent in an IPR proceeding because the one-year statutory bar for challenging the ’463 patent through an IPR has passed. Petitioners will have no other opportunity to call upon the Board’s assistance in an IPR, yet PO may still assert the ’463 patent against Petitioners in future litigation given that the dismissal was **“without prejudice”**. **PO has not offered Petitioners a covenant not to sue.**

Discretionary denial would be unfair under these circumstances, since PO may once again assert the ’463 patent against Petitioners in future litigation, yet Petitioners are barred from challenging the validity of the ’463 patent in this forum.

Petitioners should not be forced to wait and see if PO asserts this patent again in the future to resolve the validity concerns of this patent—again, where the Board has already determined a reasonable likelihood of success on the merits. Discretionary denial would allow patent owners to assert a patent to trigger the statutory bar and move for dismissal only to reassert the patent, leaving petitioners with no recourse at the PTAB. This cannot be the intended framework under Section 314(a).

The parallel litigation is large and complex, initially involving 11 patents covering different technologies and multiple defendants scheduled for separate trials. *See e.g.*, Ex. 2004. Given these complexities, it would be challenging for any district court to closely review the validity of the asserted patents and maintain consistency across the separate trials. The PTAB is the most appropriate resource to render a thorough and consistent judgment on patent validity, as the '463 patent is no longer at issue in the parallel litigation.

Instituting an IPR promotes judicial efficiency, fairness, and patent quality. Given the possibility of future litigation involving the '463 patent, and the fact that PO has not granted Petitioners a covenant not to sue, efficiency considerations counsel that the Board should address the validity of the '463 patent now as part of the overarching dispute between the parties.

III. The USPTO has an interest in evaluating the validity of purported “unimportant” patents

PO complains that the Board should have denied institution because the '463

patent is so “unimportant” that it was withdrawn from the parallel district court case. Paper 20, 4. PO cites no Patent Office guidance that the relative “unimportance” of a patent should be considered a factor relevant to whether the Board exercises its discretionary denial authority.

If the ’463 patent is of less importance, then that fact would weigh against the Board denying institution as noted above. By exercising its discretion in such a manner, the Board would be shirking its responsibility to Petitioners who are seeking Board assistance in cancelling the weak, allegedly less important patent claims that PO nonetheless asserted and that Petitioners had been forced to defend against. PO has not offered Petitioners a covenant not to sue, as noted above.

The PTAB is the AIA-created resource established to review “unimportant” or “bad” patents to promote patent quality as a matter of public interest. PO’s suggestion that the ’463 patent is “unimportant” means this patent is primed for review, particularly given that the Board has already determined a reasonable likelihood of success on the merits. Resolving validity in this IPR is efficient and fair, promotes patent quality, and is consistent with PTAB policy.

Petitioners request that the Director *deny* PO’s request for Director Review.

Respectfully submitted,

Date: June 27, 2025

By: / S. Benjamin Pleune /
S. Benjamin Pleune, Reg. No. 52,421

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. §42.6(e), the undersigned hereby certifies that a true and correct copy of the above-captioned **Petitioners' Reply to Patent Owner's Request for Director Review** was served in its entirety on June 27, 2025, via filing through the Patent Trial and Appeal Case Tracking System (P-TACTS), as well as by delivering copies via electronic mail to the following:

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Date: June 27, 2025

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